

Charity Number: SC045232

THE SOCIAL BITE FUND

**ANNUAL REPORT AND
ACCOUNTS**

FOR THE YEAR ENDED 31 MAY 2021

THE SOCIAL BITE FUND

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2021

The trustees present their annual report together with the audited consolidated financial statements of The Social Bite Fund ("the charity" or "Social Bite"), and its group, for the financial year ended 31 May 2021. The report is prepared in accordance with the charity's constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

1. STRUCTURE, GOVERNANCE AND MANAGEMENT

The charity was established as a Scottish Charitable Incorporated Organisation (SCIO) on 17 November 2014 and is governed by a SCIO constitution.

The power of appointing new or additional trustees is vested with the trustees. All trustees are advised of their responsibilities as part of a standard induction process and given the opportunity to visit and learn about the different initiatives of the charity.

The trustees who have served in this financial period and up to the date of which the financial statements were approved are:

Trevor Civval	(appointed 27 January 2022)
Sir Andrew Cubie (Chair)	(appointed 27 May 2021)
Rosalind (Roz) Cuschieri (Chair)	(resigned 17 May 2021)
William Gorol	(appointed 11 June 2021)
Josh Littlejohn MBE	(resigned 22 December 2020)
Kent Mackenzie	(resigned 17 May 2021)
Morag McNeill	(resigned 17 May 2021)
Angus Morrison	
Ellie Murphy	(resigned 17 May 2021)
Marjory Rodger MBE	(resigned 23 August 2021)
Mark Ross	(appointed 6 May 2021, resigned 21 May 2021)

A number of trustees stepped down after approving the prior year group accounts at the AGM on 17 May 2021. Our trustees helped steer us through a period of uncertainty that COVID-19 brought and committed even more of their time over this period. Those who then departed, did so in the knowledge that the charity was in a strong financial position. We remain extremely thankful to all of our trustees (past, present and future) for their time, dedication and support in making Social Bite what it is today.

The Board meet every other month. The trustees have equal voting rights and the Chair has the casting vote.

One trustee received remuneration from the charity during the period, as set out in note 8(iii) to the financial statements. Josh Littlejohn was, at that time, Group CEO of Social Bite. Subsequent to the year-end, the trustees reviewed the governance structure to create three new executive roles to enhance arrangements. These new posts are now held by Josh Littlejohn (Executive Director – Founder), Jonathan Payne (Executive Director – Operations) and Sir Andrew Cubie (Executive Chair – this position being a voluntary one, with Sir Andrew also being a trustee), working alongside Peter Kerr (Group Finance & Risk Director).

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2021 (continued)

The charity has the following standing committees:

'Nominations and Remunerations' – meets as required during the year and is in place to carry out salary reviews on an annual basis and confirm any new Board nominations.

'Finance, Audit and Risk' – will usually meet prior to each full Board meeting to discuss the areas of finance, audit and risk areas in greater detail and take any relevant points to the Board.

Given the change in trustees during the year, the responsibilities of these committees were temporarily taken on by the full Board, pending recruitment of new trustees. The nature of these committees and remit will be reviewed over the following 12 months.

a) Group structure governance

Social Bite has two wholly owned subsidiaries – Social Bite Limited, Social Bite Restaurants Limited, with one other, Social Bite Communities having been dissolved during the year.

The Social Bite Limited and Social Bite Restaurants Limited Boards meet every other month. The subsidiary Boards have a level of decision-making authority and are required to report back to the parent charity every other month.

Social Bite Limited

Social Bite Limited consists of four public facing sandwich shops (2 in Edinburgh, 1 in Glasgow and 1 in Aberdeen), 2 concession cafés, a central production kitchen and a sandwich delivery business known as Social Bite Delivers. We use the infrastructure of this social enterprise to provide food, support and employment opportunities to people affected by homelessness, to be a shopfront for the charity and to raise funds via pay it forward donations.

Social Bite Restaurants Limited

Social Bite Restaurants Limited operates one restaurant in Edinburgh called 'Vesta'. In addition to serving paying customers, creating awareness of the work undertaken by the charity and raising funds via pay it forward donations, the restaurant usually operates a weekly sit down service to diners who are experiencing homelessness. This is a two-course meal of equal quality to that of paying customers.

Social Bite Communities Limited:

This subsidiary was dormant during the year and was dissolved on 25 May 2021, after completing its primary purpose of building the Social Bite Village in Edinburgh.

b) Reserves & Reserves Policy

Total group reserves as at 31 May 2021 are £2.7m (2020: £2.4m) of which £157,294 (2020: £375,654) are restricted. Tangible fixed assets comprise £640,542 (2020: £780,275) of unrestricted funds, leaving free unrestricted reserves of £1.9m (2020: £1.2m).

The trustees approved a reserves policy such that Social Bite would have an aim of maintaining unrestricted reserves at a level of at least £500,000 but allows for the flexibility (subject to approval of the trustees) for this to be utilised to some extent if there is a clear charitable purpose for doing so and a plan to build it back up to the approved level.

In deciding on the level of reserves, the trustees have reflected on previous experience, where reserves were significantly less than this level and the challenges and risks that arose from this. The figure of £500,000 is one that the trustees currently feel is prudent. The Finance, Audit and Risk Committee will regularly review the level of reserves held to ensure they are in line with the charity's needs and make any recommendations for change to the Board.

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c) Risk Management

The Board reviews organisational risk and maintains a risk register with a view to proactively managing risks across the charity and its subsidiaries. The register includes a section of how each risk identified is being mitigated. Where there are any significant projects, a separate risk register is developed and maintained.

One of the key risks that affects many other charities and organisations is the continuing impact that COVID-19 has on the charity and its trading subsidiaries. Extended periods of closure during the pandemic have impacted on the trading performance and ability of the subsidiaries to raise donations on behalf of the charity. The continuation of this uncertainty post year end and the impact on trade has resulted in a wider review of the group structure and financing arrangements between subsidiaries to ensure charitable impact is maximised.

d) Principal Address

The principal address of the charity is:

1 Leith Walk
Edinburgh
EH6 8LN

e) Legal & Administrative Arrangements

Legal:

Lindsays, 19A Canning Street, Edinburgh, EH3 8HE – for charity administration matters.
CMS, Saltire Court, 20 Castle Street, Edinburgh, EH1 2EN – for property and commercial matters.
Clyde & Co, 144 West George Street, Glasgow, G2 2HG – for HR and employment related matters.
Anderson Strathern, 1 Rutland Court, Edinburgh, EH3 8EY – Village and other commercial matters.

The charity wishes to acknowledge the generous pro-bono and reduced cost support provided by CMS, Clyde & Co and Anderson Strathern – all greatly appreciated and helps us to access the best possible advice.

Bankers:

The Royal Bank of Scotland Plc, 142-144 Princes Street, Edinburgh EH2 4EQ

Auditors:

Johnston Carmichael LLP, 227 West George Street, Glasgow G2 2ND

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2021 (continued)

2. OBJECTIVES & ACTIVITIES

The charity is established for charitable purposes only, with a focus on supporting those affected by homelessness and having the following objectives:

1. To relieve poverty in the UK and overseas by giving grants to social business and microfinance institutions. We will only give grants to social businesses and microfinance institutions who focus on tackling global and local poverty.
2. To relieve poverty in the UK and overseas by giving interest free loans to social businesses and microfinance institutions. We will only give loans to social businesses and microfinance institutions who focus on tackling global and local poverty.
3. To relieve poverty, suffering and distress of people who are in a condition of need, hardship or distress by providing, or assisting in the provision of food and accommodations, with the object of improving the conditions of life generally but in particular those who have need of such facilities by virtue of their youth, age, infirmity, disability, handicap, poverty, homelessness, unemployment or social and economic circumstances and to undertake other such activities that would relieve their needs.
4. The advancement of education through the provision of practical training as a route to employment.
5. To give to anything the trustees consider to be a charitable purpose.

The area within which the charity shall operate (in the constitution referred to as the 'Area of Benefit') shall be Scotland and England.

The charity shall promote (but not promote exclusively) its activities and delivery operations to people within the 'Area of Benefit' who are the general public of Scotland and England.

In Social Bite's pursuit of these objectives, the wholly owned subsidiaries within the Social Bite Group (Social Bite Limited and Social Bite Restaurants Limited) continue to play an important role.

3. ACHIEVEMENTS AND PERFORMANCE

A. Food Provision

Building positive relationships is fundamental to our work at Social Bite because we know that most people we support are in and out of the criminal justice system, struggle with homelessness and addictions and have experienced child abuse. The impact of trauma on a person can be extremely detrimental, as Suzanne Fitzpatrick (Heriot-Watt University) highlights – the most effective way to help people experiencing homelessness, with a history of trauma, is via a supportive relationship. We also know that people who struggle with homelessness experience the highest levels of isolation within the UK (Crisis, 2015). We therefore decided to use food as a tool to engage people, to build relationships and make our events social, whilst meeting a fundamental human need.

Social Bite's COVID-19 response (18 March 2020 – 31 October 2020)

Whilst the UK Government made their announcement of a national lockdown on 22 March 2020, we had already started plans to produce and deliver food to people in need. After experiencing a significant decline in commercial trade in the lead up to this announcement we recognised there were alternate ways we could repurpose our infrastructure (especially within Social Bite Limited) to support homeless people and other people falling into food poverty.

An agreement was made with the Scottish Government to support a large scale project to deliver free food across the main cities (and surrounding areas) in Scotland.

- From Wednesday 18 March 2020, Social Bite Limited's central kitchen, cafes, drivers and team were swiftly re-deployed to produce and deliver food to those most in need during the COVID-19 outbreak.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2021 (continued)

- We provided vital fresh lunch packs to a wide range of individuals and communities including people experiencing homelessness, families in food poverty and vulnerable children and adults.
- We were delighted to be working with fantastic community partners across Scotland (including Bethany Christian Trust, Simon Community and Aberdeen Foyer) to connect our food to people in need, achieving the following over the project period (18 March 2020 – 31 October 2020):
 - Delivered 538,970 emergency food packs (includes 287,081 delivered during June-October 2020).
 - Delivered a further 261,790 essential non-food items alongside our fresh food packs (includes 221,691 delivered during June-October 2020).
 - At the peak of the crisis we delivered 6,000 emergency food packs each weekday, over a 7 week period (May-June 2020).
 - 160 people were accessing free takeaway food each weekday from our cafes in Edinburgh, Glasgow and Aberdeen, with social distancing maintained.
 - We worked with 99 partner charities, using their local knowledge to distribute our food to those most in need in their communities.
- We were greatly appreciative of the dedication shown by both staff and volunteers who continued to work during this period, delivering an essential service and following the enhanced health and safety protocols required to keep people safe.
- Through the hard work of our team and raising of donations we were able to exceed targets set with the Scottish Government in order to meet the need during the pandemic, delivering 538,970 food packs and 261,790 essential items from March 2020 – October 2020 against a target of 509,000.

Social Enterprise Cafes

Our cafes provide a weekday free food service for any person affected by homelessness. As described in the previous section, our cafes, during periods of enforced closure, remained open to support our COVID-19 response project.

When this project came to an end, at the end of October 2020, we reverted back to a more normal service, albeit we remained conscious of the COVID-19 related rules that remained in place, especially around social distancing.

During the period from November 2020 – May 2021, 50,112 items were distributed from our cafes, consisting of hot breakfast rolls, sandwiches and hot/cold drinks all of which were produced within our café or at our central kitchen.

We were also pleased to offer a limited (due to social distancing) Christmas dinner sit-in service that ran in each of our cafés in Edinburgh and Glasgow on 24 and 25 December 2020, with Aberdeen (due to space issues), offering a Christmas box takeaway service. Over the two days we were able to serve 284 meals directly, whilst providing a further 5,133 Christmas dinners to other partner organisations.

On average, in the quarter to 31 May 2021, we were serving 178 homeless customers per day across all of our cafes.

Winter Food Provision (December 2020 – April 2021)

Through the generosity of our supporters and from funds raised via the Just Eat campaign (see section 3.(d)), we were able to further expand our food distribution to those who most need it during the winter months, not just in Scotland, but throughout the UK. During this period, we were able to:

- Produce and deliver 51,154 food packs from our Central Kitchen to Scottish based organisations.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2021 (continued)

- Deliver a further 9,100 meals produced by Dishoom, Edinburgh.
- Provide grant funding to 15 other charitable organisations across the UK to provide 94,079 meals.

'Vesta' Restaurant – providing dignified meals to the homeless community

Due to the periods of lockdown, social distancing and other restrictions, we were unfortunately unable to restart this service during the year (service did resume in November 2021).

B. Accommodation & Shelter

Housing First

Housing First means people are given a permanent home alongside the intensive support they need to maintain their tenancy as well as build a normal life with routine, positive relationships and better health and wellbeing. The project is targeted at the most vulnerable people affected by chronic and repeat homelessness, who have particularly high support needs. This is not an immediate solution, but one that can, over the longer term, eradicate homelessness.

Social Bite initially created this programme within Scotland, securing pledges from landlords to offer 830 one bedroom tenancies across Edinburgh, Glasgow, Aberdeen, Dundee and Stirling. Social Bite pledged an investment of up to £3m over a pilot period, which commenced in 2018 and completed on 31 March 2021. The Scottish Government co-invested £6.5m. with the aspiration that this would then become the default programme for all Scottish local authorities and for the pilot to transition into mainstream policy. Merchant House Glasgow have also provided funding. The aim was for this to deliver 830 new tenancies by the end of the pilot.

The project was being coordinated in partnership with the Corra Foundation and Homeless Network Scotland. Expert training in this new model of supporting vulnerable people is being delivered by Turning Point Scotland to all project partners. An in-depth evaluation of the programme is being carried out by Heriot-Watt University.

The last year has not been without its challenges as the UK endured prolonged periods of lockdown due to the pandemic brought on by coronavirus. This did impact on the progress of placing people in homes, where a total of 483 were housed by the pilot end on 31 March 2021. This has increased to 519 by 31 May 2021 (May 2020 – 261). New tenancies being created at the start of the pandemic was fairly low as services were all impacted, but gradually alternate ways of working were identified and tenancies started to increase. A significant number of individuals were also receiving support via the programme whilst awaiting a tenancy.

Of the 519 tenancies achieved, 85% were still being maintained at 31 May 2021. Of the 76 tenancies that ended, 37 were instances of tenancies not being sustained (abandonment etc) and 39 were ended for other reasons (death of the tenant or long-term prison sentence). To date, nobody has been evicted from their home.

Whilst the original target of 830 tenancies was not met by the target date, all the partners are pleased with the progress made and the ultimate difference made to a substantial number of individuals who now have a place to call home. Every day, week and month, the number of tenancies increase across the whole of Scotland.

As of 1 April 2021, Housing First moved into a transitional phase where local authorities started to take on the primary responsibility to deliver Housing First, supported by £2.5m of transitional funding provided by the Scottish Government. Around 20 local authorities have now started Housing First, with 28 expected to be underway by the end of 2021 (30 out of 32 local authorities having now committed).

The National Framework for Housing First was launched in Spring 2021, backed by the Scottish Government, launching a 10-year framework to help local authorities to start or scale up Housing First in future months or years.

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The pandemic also impacted on the evaluation being carried out by Heriot-Watt University, delaying the publication of the first interim report until September 2021.

We continue to support Housing First beyond the initial pilot phase, funding Corra Foundation's project management costs over the transitional period and the costs of the Heriot-Watt University evaluation that is due to be completed by the end of 2023.

We anticipate that we will have provided £2.2m of funding towards Housing First by time the evaluation is completed in 2023. This has reduced from the initial £3m pledge, due to initial implementation delays and the reduced number of people housed during the pilot phase. During the year to 31 May 2021, Social Bite paid £343,785 towards Housing First (2020 - £150,000), taking our total contribution to date to £2.1m.

Social Bite remains firmly committed to Housing First and proud of being a catalyst and founding member of this programme within Scotland. This has only been achieved through the generous support of our donors, our grant funders, including the Oak Foundation and Comic Relief, and to the many thousands who took part in our previous Sleep in the Park events. We thank you all for your support.

Social Bite Village – a positive community where people can build a new life

The Social Bite Village welcomed its first residents in July 2018. It was built to give people the right environment, support and opportunities they need to build a happy and independent life. We work in partnership with Cyrenians and Hillcrest Homes to help deliver this service.

The Village presents an alternative model to emergency/temporary accommodation, which is used significantly in Edinburgh. Many people are currently housed in B&Bs for an average of 18 – 24 months at a time without the facilities of a normal home and with little or no support to help them break out of homelessness.

In contrast, the Village provides a highly supported community for up to 18 people at a time. Over this time, people will contribute to the life of the community, learn a range of new skills and engage in work and voluntary placements.

The ongoing pandemic and lockdowns during the year have provided challenges in being able to move residents on to permanent accommodation and in sourcing new residents, when restrictions were in place to prevent movement of people.

We have been able to establish the use of residential volunteers in the Village and have a team of 4 volunteers helping for 30 hours per week. This has supported the community aspect of the Village and fill a void that COVID-19 restrictions have brought to all of our lives.

At 31 May 2021 the Village had supported a total of 41 people from its opening in July 2018 to May 2021, with each resident staying for an average of 293 days. People have been supported through the village project.

Of those residents who have moved on from the Village:

- 52% of residents who have moved on have maintained their Council tenancy (planned moves).
- 39% of residents moved on to other accommodation, Private Sector Leasing or to family/friend's houses.
- In respect of a planned move to a Council tenancy, 100% of these residents are still sustaining that tenancy, demonstrating the Village model's effectiveness in breaking the cycle of repeat homelessness.

During the year, income generated from the Village (mainly relating to housing benefits) was £229,311 (2020 - £264,479). The associated expenditure for the year was £414,318 (2020 - £421,805). This cost includes the onsite management and support provision provided by Cyrenians, together with all maintenance, utilities and depreciation costs of £100,260 (2020: £100,260). We are able to fund the support requirements at the Village through the generosity of our donors and use of our unrestricted funds.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2021 (continued)

We are currently working to replicate the Social Bite Village project and build two new community accommodation projects in two new cities. We plan to take the learnings from the first village to improve and tailor the model for local context.

C. Employment & Volunteering

Social Bite Academy

The Social Bite Academy is an employment programme, where Housing First principles apply. Social Bite offer people affected by homelessness and those who are facing complex needs employment and wrap around support. The trauma informed support is crucial to assist individuals to maintain a job. Individuals are offered a fixed term employment that aims to assist people with gaining skills and confidence to find further employment.

During the year we had 17 people (2020: 22) with a homelessness background and/or some additional vulnerabilities and support needs all employed by our subsidiary, Social Bite Limited.

COVID-19 created restrictions in our ability to meet people face to face and impacted on the way in which support was provided. However, the person-centred support during this period was crucial to individuals, where our team provided assistance with finding accommodation, emotional support (including harm reduction for those who struggled with addiction and at risk of relapsing) and providing advocacy and assistance to engage with various services.

We are pleased to have a dedicated Social Impact Team within Social Bite to provide this support, who have experience in counselling, safeguarding and trauma informed support. Maintaining on-going and trusting relationships has been vital in assisting people to maintain their safety and in some cases preventing them from taking steps back in their journey.

There have also been associated challenges in being able to fulfil some elements of the Social Bite Academy programme, such as securing longer-term external placements that are suited to an individual's needs and interests.

The public benefit of the programme is extremely significant given that the support provided to individuals affected by trauma, is a relational 'scaffolding' that a person needs to be able to keep up the work and progress.

Jobs First

The Jobs First programme aims to extend the existing Social Bite Academy to private sector employers, whereby employers will provide jobs to people who have experience homelessness. This will be complemented by extensive wrap-around support, allowing these individuals to develop their skills, strengths and confidence and to ultimately transform their own lives.

After successfully running our own internal programme via the Academy, this new Jobs First approach seeks to scale the impact of this approach to better meet the size of the need and to create an employability blueprint with mainstream employers.

During the year, we were fortunate to receive the support of Spring Impact and their consultants to take part in the Scale Accelerator programme, working together to design a scale strategy and replication model for how it will work with employers. This model was produced towards the end of April 2021 and subsequently allowed us to consider our next steps to bring Jobs First to fruition (we are pleased to announce that subsequent to the year end, we were able to start placing individuals with mainstream employers via Jobs First).

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2021 (continued)

Volunteers and their contribution to Social Bite

Volunteers and their assistance is crucial in delivering the service offered by Social Bite. Our cafés. However, due to COVID-19, volunteer roles were reduced due to the limited number of activities that we are currently able to deliver (as a result of government restrictions on social mixing).

During the year we received support from 87 volunteers, including 23 actively engaged in supporting Social Bite's activities during the COVID-19 related lockdown.

In December 2020, we were also able to involve our volunteers in our Festival of Kindness campaign, where 43 volunteers were involved in Glasgow and Edinburgh, delivering 912 hours of activity.

In addition to volunteers supporting the day-to-day activities, we also have our trustees and subsidiary directors who volunteer their time to govern and further the interests of the Group.

We are hugely grateful for all the support and commitment shown by every one of our volunteers.

D. The Festival of Kindness

During Christmas 2020, we set out to encourage people from all walks of life to help create a **movement of kindness** to spread festive goodwill to those who need it most.

We installed 'Trees of Kindness' in Edinburgh and Glasgow, where the general public could visit to donate a gift that would then be distributed to people affected by homelessness and poverty. Volunteers helped at each location (giving up a combined 912 hours of support) providing a welcome and thanks to those who came to donate and being a source of information about how people could help.

Objectives were set and we were very pleased with the outcomes achieved:

Objectives	Outcomes
Collect and distribute tens of thousands of gifts to people in need across Scotland	We distributed 39,217 gifts, achieved via 10,547 gifts made by the public at our trees in Edinburgh and Glasgow, 16,500 gifts made by corporate supporters and 12,248 purchased directly by us.
Produce and deliver thousands of Christmas Dinners to people in need across Scotland	5,417 Christmas meals produced and distributed through our cafes and to 80 charity partners and funding in place to provide an estimated 140,000 items of food and hot drinks the following calendar year.
Help fund support for people affected by homelessness in hotel accommodation	Grants provided by us (alongside others) to help support: <ul style="list-style-type: none">Bethany Christian Trust towards their Welcome Centre in Edinburgh. On 8,403 occasions, 860 guests were prevented from sleeping rough over the 30 week period of operation;Glasgow City Mission towards their Glasgow Overnight Welcome Centre. 203 guests stayed for a total of 1,589 bed nights over the 4 months of operation.
Diversify Christmas fundraising income in lieu of a flagship winter event (such as Sleep in the Park).	Compared to the prior year, an increase of over 200% was achieved in individual donations during December.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2021 (continued)

Objectives	Outcomes
Engage a new audience in our work and grow our supporter base	80% of volunteers were new to us; 2,500 new followers on Instagram; 68,000 visitors to our website (an increase of 41% on the prior year).
Build on the positive relationships with other third sector organisations established through our COVID-19 response	Christmas meals, presents and essential items were distributed to a network of 80 organisations throughout Scotland.

As part of the Festival of Kindness, we were able to draw together our pre-existing itison campaign, together with some new and significant initiatives.

itison December campaign

Our partnership with itison has ran every year since 2014 and offers people the ability to pay it forward towards a Christmas Meal or Present for somebody in need. The success of this campaign also allows us to continue to fund our free food provision from our cafes throughout the year, alongside other charitable projects (this included helping to fund our COVID-19 response costs). We remain extremely thankful to itison for continuing to run this campaign year on year and to their customers and our donors for continuing to give.

During December 2020 £647,294 was raised, this being slightly less than the prior year total of £678,655. This allowed us to immediately fund the purchase of 12,248 gifts and essential items for distribution in December 2020. These include winter clothing, toiletry and selection boxes and presents for children, to complement the gifts donated to us by the general public and corporates. 5,417 Christmas meals were produced and delivered and a budget for food provision was established for the 2021 calendar year.

Further information on the subsequent café food distribution, that itison funds are used for can be found at section 3.(a).

Just Eat campaign

Through connections that had been formed by The World's Big Sleep Out Trust (a Scottish Charitable Incorporated Organisation having charity number SC049124) when delivering the World's Big Sleep Out in 2019, we were able to establish an amazing opportunity with Just Eat to raise money to feed people in need during the winter months of 2020-21. Just Eat generously agreed to allow their customers across the UK to donate in December 2020 whilst placing an order. All funds raised (including a matched funding element) were split between us (70%) and an English based charity called FoodCycle (30%).

A total of £601,329 was raised, split £420,930 to Social Bite and £180,399 to FoodCycle. This allowed us to provide 112,585 meals for people in need across the whole of the UK over the period December 2020 to March 2021. We were able to directly produce and distribute 18,506 meals across Scotland, whilst offering £148,000 of grant funding to 15 other charitable organisations across the UK to provide meals locally.

As part of this campaign, an element of the funds raised could be allocated towards our longer term projects to break the cycle of homelessness. Post year end, the trustees agreed to designate £174,398 of the funds raised from this campaign towards building new Social Bite Villages to support those that currently don't have a place to call home.

Covid Community Campaign

Through a further connection obtained via The World's Big Sleep Out Trust, we joined a campaign that was launched in December 2020 by Dame Louise Casey with London Councils and The Mayor of London, with the objective of providing food and support to those struggling during the winter period.

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Social Bite was the umbrella charity, arranging distribution of the funds raised, as well as being one of the beneficiaries of this campaign, receiving a 20% share of the donations raised, along with The Trussell Trust, FareShare and Magic Breakfast. A further 20% was split between local charities in each participating Council's area.

Our role in this was to act as an agent for the consortium members, receiving donations and distributing in accordance with their stated wishes, in the form of a grant. Further information on this agency arrangement can be found at note 22 to the accounts.

A total of £386,975 was raised from this campaign, of which we retained and recognised donation income of £77,395 to be allocated towards future long term charitable projects. Post year end, the trustees elected to use this towards an investment in a new café in London, to further expand the charity's work and support the local homeless population within London.

Whilst the funds distributed towards other charities were used for a number of different activities, some examples of the benefits were:

- The funds received by Magic Breakfast equated to 227,629 breakfasts, plus wrap around support for children at risk of hunger across London.
- The Trussell Trust used the grant to support their 40 food banks in London, including expansion of existing warehouse space and put in place long term programmes to tackle the underlying causes driving people to food banks.
- Every £1 given to FareShare provides the equivalent of four meals to people who are currently depending on charitable food for their next meal. This equates to more than 300,000 meals in London.

We were pleased to be able to contribute to the success of this campaign and distribute funds to other worthy charities.

4. FUTURE PLANS

Over the next year, the charity and its subsidiaries will focus on the following:

- Seek opportunities with local authorities and other partners to build two new Social Bite Villages and investing some of our reserves into this.
- Creating a new mass participation event called Break the Cycle, in association with Sir Chris Hoy that ran in September 2021. This helped raise funds to support our objective of building new Social Bite Villages, as well as bolster unrestricted reserves.
- Building on the momentum achieved through Festival of Kindness in December 2020, to create an expanded event that covers more locations in Scotland and in England.
- Seeking ways to expand our charitable impact beyond Scotland and maximise corporate relationships built up during the World's Big Sleep Out.
- Further developing our 'Jobs First' programme and working with prospective employers to seek opportunities for employment.
- Reinstate food programmes that were put on hold due to COVID-19 and look at alternate ways to provide food to those who cannot access our cafes.

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TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2021 (continued)

5. FINANCIAL REVIEW

A. Income

Income for the year raised from Donations and Legacies was £3.5m (2020 - £4.1m). Further detail on this can be found at note 3 to the financial statements.

As mentioned in the prior year's accounts, we saw an increase in the level of general donations, particularly in connection to our COVID-19 response campaign that was launched in March 2020, helping generate substantial funding towards our free food provision, with this support continuing into the start of the current financial year. We also benefitted from running our new "Festival of Kindness" campaign at Christmas, where we saw an increase in general donations from the public increase by 178% in December 2020 compared to the prior year.

The itison annual Christmas campaign was again well supported, where people have the ability to pay it forward towards a Christmas Meal or Present for somebody in need. £642,083 (2020: £678,655) of income, including gift aid, was achieved. Surplus funds from this campaign allow us to support other related activities during the year, including our continuing free food provision provided from our shops.

Our new relationship with Just Eat, generated donation income of £420,930 (2020: £nil) and allowed us to establish a winter food distribution service across the UK. £246,532 of this income was restricted to this project and fully spent by the year end.

Income from the Social Bite Village (charitable trading activities) was £229,311 (2020 - £264,479). This income is made up of housing benefit received for each resident, together with a contribution from local council. The COVID-19 pandemic did create some challenges in the normal turnaround of vacant properties and accessibility of associated support services. This has contributed to the drop in income during the year.

Restricted funding received during the year was £805,697 (2020: £1,252,644), relating to:

- £494,697 towards Free Food provision, included £184,000 of grant funding from the Scottish Government towards their support of our COVID-19 response project.
- £300,000 of grant funding towards our financial commitment to Housing First.
- £11,000 of donations to be used towards location specific project (for example, these donations related to supporting projects in Glasgow).

At the year end the balance on restricted funds was £157,294 (2020: £375,654).

B. Expenditure

The trustees are pleased to report expenditure of £3.0m (2020: £3.2m) in the financial year in pursuit of Social Bite's charitable activities. Details of the spend are set out in note 7(i) to the financial statements.

The expenditure is broadly in line with the prior year, although there are some points to note in how this figure is arrived at:

- We have recognised costs of £70,483 relating to Campaigning (2020: £nil). This reflects our ongoing commitment to promote the plight of the homeless within Scotland (and beyond) and to stage events that provide a voice for those who have experienced homelessness. The treatment of this expenditure is consistent with how we are accounted for this in previous years and is also commented on at note 2 to the financial statements regarding accounting judgements.
- Donations to other charities working for the alleviation of poverty has reduced by £550k, mainly due to the prior year donation of £536,768 to The World's Big Sleep Out Trust.

THE SOCIAL BITE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2021 (continued)

- We have provided grants of £220,093 to other organisations to support free food provision and accommodation (2020: £nil). The main beneficiaries from this were UK wide charities supporting the Just Eat winter food campaign (£143,550); Bethany Christian Trust to support their Welcome Centre in Edinburgh (£31,320); and Glasgow City Mission to support their Overnight Centre in Glasgow (£30,643).
- Grants provided to the Housing First programme of £343,785 (2020: £150,000). This reflects the payments made by the charity during the year to meet our ongoing commitment (the remaining post year-end financial commitment is detailed at note 18 to the financial statements).
- Provision of free food, support and employment cost of £1,105,856 (2020: £1,321,324) has reduced, partly due to the impact COVID-19 had on our normal operations, but also resulting from other cost savings and the use of furlough and other business support grants within Social Bite Limited.

The Social Bite Village cost of £414,318 (2020 - £421,805) reflects the ongoing costs of running and maintaining the Village. This includes a depreciation charge of £100,260 (2020: £100,260).

Governance costs of £137,337 (2020: £10,236) increased during the year. This reflected the increasing complexity of our annual group audit, as we have expanded our activities, as well as external legal advice sought by trustees to aid their role in governing the charity.

We have during the year been reviewing our staff structure and considering what we require to maintain our momentum, maximise fundraising opportunities and partnership and ensure we are a well-run and governed charity. This has seen an increase in headcount and salary costs to £721,394 (2020: £636,177). This was partly offset by furlough grants received of £55,800 (2020: £20,581), with this income being included under Donations and Legacies. This helped support continuing employment for those who may otherwise have been made redundant.

Expenditure on raising funds in 2021 in the charity was £423,493 (2020: £300,046). During 2020 we did not hold any major fundraising event, whereas in 2021, we created the Festival of Kindness and started work on planning Break the Cycle (an event that subsequently took place in September 2021). A further £2.5m of costs undertaken by the group subsidiary companies, much of which is in furtherance of our charitable activities, as set out below.

C. Social Bite Limited

The extensive charitable activities carried out by Social Bite Limited are elaborated in the previous section covering Activities, Achievements & Performance.

Social Bite Limited receives an ongoing monthly financial contribution from the charity to support all of these activities and it is recognised that by carrying out these activities, all of which have a distinct and important charitable purpose, it does create challenges in maximising commercial opportunities within Social Bite Limited.

Social Bite Limited is continually looking at ways to reduce cost and improve efficiencies, whilst exploring further income generating opportunities that can create profit and an additional return for the charity. All sums used are to ensure Social Bite Limited continues to trade, continues to provide employment to homeless people, continues to provide free food and continues to make a difference, helping the charity deliver impact on a wider scale. Again, the significant charitable activities undertaken are described elsewhere within this report.

During the year, grants were paid to Social Bite Limited by the charity totalling £547,726 (2020: £751,418) to support delivery of essential charitable services. In addition, a further sum of £539,166 (2020: £471,961) was paid to support our COVID-19 response costs and for the delivery of 287,081 (2020: 251,889) essential food packs over the period June 2020 – October 2020.

Income for the year was £2.1m (2020: £2.0m), including grants provided by the charity. A profit before tax of £14,140 (2020: (£3,494)) was achieved.

THE SOCIAL BITE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2021 (continued)

The balance sheet of Social Bite Limited remains insolvent (as it was last year) – (£89,717 (2020: (£103,857))). This continues to relate to inter-company balances, with there being no intention of these being called for repayment at the current time. Post year-end, there has been a review of the group structure and consideration of the governance and funding arrangements to best support the charitable objectives carried out within Social Bite Limited in line with the best interests of the charity. This includes a review of the inter-company balances due to SBF by SBL. This review was not yet concluded at the time these accounts were approved.

The pandemic has brought challenges to our social enterprise cafes operated by Social Bite Limited and the continual change of rules (as to whether they can open or not, or if people should return to office working). Even when shops have re-opened, levels of trade are substantially down due to shops being based in city centres and more reliant on office trade that is not currently there with homeworking. Social Bite Delivers, the corporate delivery part of Social Bite Limited, relied on face to face meetings taking place that continued to be avoided due to social distancing.

The charity intends to continue to support Social Bite Limited to work through these challenges, whilst maintaining focus on the ongoing charitable activities that take place daily within Social Bite Limited. The trustees recognise the need to continually review the ongoing financial contribution and be satisfied that the management and Board of SBL continue to take all steps necessary to minimise the ongoing exposure to the charity whilst maximising the charitable benefit being achieved.

To conclude, the trustees remain very clear that Social Bite Limited continues to contribute towards the impact and objectives of the charity in many different ways and has been able to provide a significant return during this year, especially in relation to food packs delivered. Social Bite will continue to support Social Bite Limited financially as is reasonably required, which is factored into future Social Bite cash flow forecasts.

D. Social Bite Restaurants Limited

As with many similar hospitality businesses, the COVID-19 pandemic created uncertainty and significantly impacted the subsidiary's ability to trade during the current financial year. In July 2020 the restaurant was able to re-open after the first period of UK wide lockdown, although levels of trade were lower than normal, for obvious reasons. Further restrictions in October 2020 forced the restaurant to close again and did not re-open until May 2021. This helps to explain the reduction in sales and performance during the year.

Post year-end, trading challenges did continue, but due to careful management of costs, there was a definite upturn in trading performance in the latter part of 2021.

During the year, grants were paid to Social Bite Restaurants Limited by the charity totalling £18,964 (2020: £96,437). Further detail on this can be found at note 19 covering related party transactions.

Income for the year was £337,875 (2020: £501,148), including grants provided by the charity. A loss before tax of (£4,375) (2020: £31,647) was incurred.

The balance sheet of Social Bite Restaurants Limited remains insolvent (as it was last year) – (£282,132 (2020: (£277,750))). This in part relates to inter-company balances. The agreement between the restaurant operator, SBR and SBF which governs the operation of the restaurant makes provision for the repayment of the balance due to SBF. While there is no intention of this being immediately called for repayment at the current time, ongoing repayments have continued in line with expectations.

The trustees are not currently anticipating any further significant funding being required by Social Bite Restaurants Limited. The subsidiary Board also operates on the basis of the current business being able to meet its current obligations as they fall due. However, all parties recognise the uncertainty that remains. If additional funding is required, the trustees will consider this based on the circumstances at the time and the need to protect the charitable activities and income the restaurant generates.

THE SOCIAL BITE FUND

TRUSTEES' REPORT FOR THE YEAR ENDED 31 MAY 2021 (continued)

E. Social Bite Communities Limited

This subsidiary was dormant during the year and was dissolved on 25 May 2021.

6 CONCLUDING REMARKS

In conclusion during what has been another testing year for society, the charity and its subsidiaries we are incredibly grateful to the many who have continued to support the delivery of our causes.

On behalf of the Board of Trustees,



Sir Andrew Cubie
Trustee and Chair

Date: 23 February 2022

THE SOCIAL BITE FUND

STATEMENT OF TRUSTEES' RESPONSIBILITIES FOR THE YEAR ENDED 31 MAY 2021

The trustees are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the trustees to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the charity and of the group and of the incoming resources and application of resources of the group and charity for the period. In preparing those financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in operation.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with the Charities Accounts (Scotland) Regulations 2006, the Charities and Trustee Investment (Scotland) Act 2005 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

THE SOCIAL BITE FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SOCIAL BITE FUND

Opinion

We have audited the financial statements of The Social Bite Fund (the 'parent charity') and its subsidiaries (the 'group') for the year ended 31 May 2021 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent charity's affairs as at 31 May 2021, and of the group's and the parent charity's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Charities and Trustee Investment (Scotland) Act 2005 and regulations 6 and 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the trustees' annual report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

THE SOCIAL BITE FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SOCIAL BITE FUND (continued)

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the parent charity's financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 17, the trustees are responsible for the preparation of financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and parent charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit is considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

THE SOCIAL BITE FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SOCIAL BITE FUND (continued)

We obtained an understanding of the legal and regulatory frameworks that are applicable to the charity, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include FRS 102, the Charities SORP (FRS 102), the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006.

We gained an understanding of how the charity is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns and board meeting minutes and correspondence with regulatory bodies.

We assessed the susceptibility of the charity's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- reviewing minutes of meetings of those charged with governance;
- reviewing documentation and correspondence with regulatory bodies;
- reviewing the level and reasoning behind the charity's procurement of any legal and professional fees;
- performing audit procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, and reviewing judgements made by management in their calculation of accounting estimates for potential management bias.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

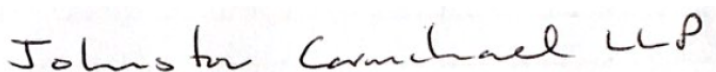
A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

THE SOCIAL BITE FUND

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES OF THE SOCIAL BITE FUND (continued)

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.



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Johnston Carmichael LLP

**Chartered Accountants
Statutory Auditor**

Date: 24 / 02 / 2022

227 West George Street
Glasgow G2 2ND

Johnston Carmichael LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

THE SOCIAL BITE FUND

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 MAY 2021

	Note	Unrestricted funds £	Restricted funds £	Year ended 31 May 2021 £	Year ended 31 May 2020 £
Income from:					
Donations and legacies	3	2,719,578	805,697	3,525,275	4,114,727
Charitable activities	4	229,311	-	229,311	264,479
Other trading activities	5	1,319,268	-	1,319,268	2,287,284
Investments		217	-	217	2,420
Total income		4,268,374	805,697	5,074,071	6,668,910
Expenditure on:					
Charitable activities	7(i)	2,024,227	1,024,057	3,048,284	3,208,639
Raising funds	7(ii)	1,714,530	-	1,714,530	2,573,508
Total expenditure		3,738,757	1,024,057	4,762,814	5,782,147
Net income/(expenditure)		529,617	(218,360)	311,257	886,763
Transfers between funds		-	-	-	-
Net movement in funds		529,617	(218,360)	311,257	886,763
Reconciliation of funds:					
Total funds brought forward		1,983,505	375,654	2,359,159	1,472,396
Total funds carried forward	16	2,513,122	157,294	2,670,416	2,359,159

The statement of financial activities includes all gains and losses in both the current and prior periods.

All income and expenditure derive from continuing activities.

THE SOCIAL BITE FUND

STATEMENT OF FINANCIAL ACTIVITIES – CHARITY ONLY FOR THE YEAR ENDED 31 MAY 2021

	Note	Unrestricted funds £	Restricted funds £	Year ended 31 May 2021 £	Year ended 31 May 2020 £
Income from:					
Donations and legacies	3	2,719,578	805,697	3,525,275	4,114,727
Charitable activities	4	229,311	-	229,311	264,479
Investments		217	-	217	2,420
Other	6	2,502	-	2,502	-
Total income		2,951,608	805,697	3,757,305	4,381,626
Expenditure on:					
Charitable activities	7(i)	2,024,227	1,024,057	3,048,284	3,208,639
Raising funds	7(ii)	423,493	-	423,493	300,046
Total expenditure		2,447,720	1,024,057	3,471,777	3,508,685
Net income/(expenditure)		503,888	(218,360)	285,528	872,941
Transfers between funds		-	-	-	-
Net movement in funds		503,888	(218,360)	285,528	872,941
Reconciliation of funds:					
Total funds brought forward		2,270,421	375,654	2,646,075	1,773,134
Total funds carried forward	16	2,774,309	157,294	2,931,603	2,646,075

The statement of financial activities includes all gains and losses in both the current and prior periods.

All income and expenditure derive from continuing activities.

THE SOCIAL BITE FUND

BALANCE SHEETS AS AT 31 MAY 2021

	Note	Group Total funds		Charity Total funds	
		31 May 2021	31 May 2020	31 May 2021	31 May 2020
		£	£	£	£
Fixed assets					
Tangible assets	9	640,542	780,275	461,848	574,708
Investments	10	-	-	-	-
		640,542	780,275	461,848	574,708
Current assets					
Stock	11	21,116	25,821	-	-
Debtors	12	507,394	455,055	627,276	491,330
Cash at bank and in hand		2,300,131	2,462,668	2,239,855	2,341,384
		2,828,641	2,943,544	2,867,131	2,832,714
Creditors: amounts falling due within one year	13	(737,346)	(1,325,517)	(397,376)	(761,347)
Net current assets		2,091,295	1,618,027	2,469,755	2,071,367
Total assets less current liabilities		2,731,837	2,398,302	2,931,603	2,646,075
Creditors: amounts falling due after one year	14	(61,421)	(39,143)	-	-
Net assets		2,670,416	2,359,159	2,931,603	2,646,075
Funds					
Restricted funds	15	157,294	375,654	157,294	375,654
Unrestricted funds	16	2,513,122	1,983,505	2,774,309	2,270,421
		2,670,416	2,359,159	2,931,603	2,646,075

The financial statements were approved by the Board of Trustees on 23 February 2022 and were signed on its behalf by:

Sir Andrew Cubie
Trustee & Chair

THE SOCIAL BITE FUND

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2021

	Note	Year ended 31 May 2021 £	Year ended 31 May 2020 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>358,406</u>	<u>1,189,591</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(31,297)	(114,070)
Interest received		<u>217</u>	<u>2,420</u>
Net cash used in investing activities		(31,080)	(111,650)
Repayments of borrowing		(539,863)	(18,501)
Cash inflows from new borrowing		<u>50,000</u>	<u>500,000</u>
Net cash provided by financing activities		(489,863)	481,499
Net increase / (decrease) in cash and cash equivalents in the reporting period		(162,537)	1,559,440
Cash and cash equivalents at beginning of period		<u>2,462,668</u>	<u>903,228</u>
Cash and cash equivalents at end of period		<u>2,300,131</u>	<u>2,462,668</u>
Relating to:			
Cash at bank and in hand		<u>2,300,131</u>	<u>2,462,668</u>

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021

1 Accounting policies

(a) Charity information

The Social Bite Fund ("the Fund") is a Scottish Charitable Incorporated Organisation ("SCIO"). The principal office is given in the charity information on page 4 of these financial statements. The nature of the charity's operators and principal activities are set out within the Trustees' Report.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the charity's financial statements.

(b) Basis of preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"), Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The financial statements have also been prepared in accordance with the Charities Accounts (Scotland) Regulations Act 2006 and the Charities and Trustee Investment (Scotland) Act 2005.

The charity is a public benefit entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the charity. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention. The principal accounting policies adopted are set out below. These policies have been consistently applied to all periods presented.

The charity has taken advantage of the relevant exemptions available to qualifying entities within the Reduced Disclosure Framework of FRS 102 from the requirement to disclose certain information in relation to the individual parent charity, including statement of cash flows and financial instruments. The consolidated group financial statements present this information for the group only.

(c) Going concern

The trustees have reviewed up to date cash flow forecasts up until May 2023 and paid particular attention to the period of twelve months from the date of approval of the financial statements and are of the view that the charity and group will be able to meet liabilities as they fall due. As with any cash flow forecast, there are assumptions made regarding the availability and timing of incoming funds, especially donations that mean there can be no guaranteed certainty in relation to these. The trustees have factored into these forecasts the ability not to approve expenditure on any major new projects until sufficient funds for those projects have been identified and raised.

The trustees also recognise the continuing inherent uncertainty that the current COVID-19 pandemic has created and the impact this has had on the subsidiaries trading performance. The Trustees' Report explains the position in respect of Social Bite Limited and Social Bite Restaurants Ltd in more detail. However, the current financial situation of the charity is fortunately one that continues to be of relative strength. The performance on Social Bite Restaurants Limited was steadily improving post year end and a review of the structure of the Social Bite Limited is ongoing with the aim of creating a profitable business that also serves the charity's needs. The parent charity will continue to support these subsidiaries at agreed levels.

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

1. Accounting policies (continued)

As set out in the reserves section of the Trustees' Report, the trustees have approved a base level of £500,000 of cash reserves to be maintained to support core running costs of the charity. Actual group cash held as at 31 May 2021 was £2.30 million (2020: £2.46m). Unrestricted reserves, after deduction of fixed assets, of £1.87m (2020: £1.20m).

Taking all of these factors together and considering the further improved financial position compared to the prior year, the trustees have not identified any material uncertainties with respect to the going concern position of the group and parent charity. As such, these financial statements are prepared on a going concern basis.

(d) Basis of consolidation

The consolidated Statement of Financial Activities and Balance Sheet include the financial statements of the Fund and its subsidiary undertakings, Social Bite Limited, Social Bite Restaurants Limited and Social Bite Communities Limited made up to the balance sheet date. Where this occurs, the results of subsidiaries sold or acquired in the period are included in the Statement of Financial Activities up to, or from, the date control passes. Intragroup sales and profits are eliminated fully on consolidation.

While the activities of Social Bite Communities Limited were discontinued in a prior period, the individual results of this company are not material to the group and so a separate analysis of continued and discontinued operations has not been prepared. Note 10 to the financial statements gives details of the transactions of Social Bite Communities Limited in the period. Social Bite Communities Limited was formally dissolved on 25 May 2021.

(e) Charitable Funds

The funds are available for use only according to the objectives of the Fund. Unrestricted funds are expendable at the discretion of the trustees in furtherance of the objects of the Fund unless they have been designated for other purposes.

Designated funds are funds which have been earmarked at the discretion of the trustees for a particular project. Where these arise, the purposes and uses of designated funds in respect of these projects are set out in the notes to the accounts.

Restricted funds are subject to restriction on their expenditure imposed by the donor. The purposes and uses of restricted funds in respect of these projects are set out in the notes to the accounts.

The costs of raising and administering such funds are charged against the specific fund.

(f) Income

All income is recognised in the statement of financial activities when the conditions for receipt have been met and it is probable that the income will be received. The following specific policies are applied to particular categories of income:

- Donations subject to the specific wish of the donors are allocated to the relevant restricted funds. Donations receivable for general purposes of the charity are allocated to unrestricted funds.
- Incoming resources from charitable activities represents occupancy income generated from the operation of the Social Bite Village which provides housing for homeless people.

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

1 Accounting policies (continued)

- Income from donations and grant income is recognised when the charity has entitlement and the amount can be reliably measured. This is generally the earlier of the charity being notified of the impending distribution or the amount being received. On occasion, donations will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the income is recognised when the amount becomes reliably measurable. Where performance conditions are attached to grants receivable, recognition occurs once entitlement becomes unconditional.
- Income from other trading activities through shop and restaurant sales and events' income are recognised as the related goods and services are provided.
- Income from charitable activities represents occupancy income generated from the operation of the Social Bite Village which provides housing for homeless people.
- Donated goods, services and facilities are included at the value to the charity where this can be readily quantified. In accordance with the Charity SORP, the contribution of general volunteers has not been included as income in these accounts due to the lack of a reliable measurement basis.

(g) Expenditure

Expenditure is recognised on an accruals basis as the liabilities are incurred. Expenditure includes any VAT which cannot be recovered and is reported as part of the expenditure to which it relates.

- Expenditure on raising funds includes expenditure in relation to events and fundraising activities and fees for processing donations.
- Expenditure on charitable activities comprises the costs associated with the Fund's principal activities, including grants and other support to its subsidiary companies in their social enterprise activities as well as other charitable donations made by the Fund. Grants payable are payments to third parties in the furtherance of the charitable objects of the charity. Grants are accounted for when the recipient has a reasonable expectation that they will receive a grant and the trustees have agreed to pay the grant.
- Other expenditure comprises those costs incurred by other group companies in respect of their activities.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly while others are apportioned on an appropriate basis. All support costs are met by the unrestricted funds of the Fund.

(h) Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight-line basis over its expected useful life, as follows:

Property improvements	10 years (or term of any associated lease if less)
Buildings	4% straight line
Office equipment, furniture and fixtures	3 - 5 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in net income/(expenditure) for the year.

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

1 Accounting policies (continued)

At each reporting date the charity reviews the carrying amounts of the tangible fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any.

(i) Fixed asset investments

Investments in subsidiary undertakings are included at cost.

A subsidiary is an entity controlled by the charity. Control is defined as the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

(j) Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits held with banks.

(k) Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's financial statements when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset with the net amounts presented in the financial statements, only when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in income and expenditure. If there is a decrease in the impairment loss from an event occurring after the impairment was recognised, the impairment is reversed in income and expenditure.

De-recognition of financial assets

Financial assets are de-recognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

1 Accounting policies (continued)

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the charity after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and amounts due to subsidiary undertakings are initially recognised at transaction price and are subsequently carried at amortised cost, using the effective interest rate method.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

De-recognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

(l) Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

(m) Taxation

The charity is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charity for UK corporation tax purposes. It is therefore potentially exempt from taxation in respect of income or capital gains to the extent that such income or gains are applied for charitable purposes.

The charity's subsidiary companies have no such exemption for taxation. Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

1 Accounting policies (continued)

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

(n) Leasing

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

(o) Retirement benefits

The charity contributes to the employees' defined contribution personal pension plans. Contributions payable are charged to unrestricted funds in the year they are payable.

(p) Accounting for funds held as an agent

Any funds received by the charity whilst acting as an agent on behalf of another are recognised as a liability. Such funds are administered in accordance with the instructions received, with the exception of any funds for which the charity is the ultimate beneficiary to and then recognises this income in the period to which it relates.

2 Accounting judgements and key sources of uncertainty

In the application of the group's and the parent charity's accounting policies, the trustees are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements and estimation uncertainties have a significant effect on amounts recognised in the financial statements:

- Depreciation is calculated to fully write off the cost of assets over their estimated useful life. Management estimate the useful life of each asset. Details of the depreciation charged in the period are in note 9.
- In the year, the trustees reviewed all expenditure associated with delivering Festival of Kindness and Break the Cycle events and determined that the expenditure did not wholly relate solely to the costs of running an event. Accordingly, in the case of the event costs charged, the trustees took the view that splitting these costs 50% towards campaigning within Charitable Expenditure and 50% towards the Cost of Raising Funds was a fair and reasonable split. This is consistent with the judgements in previous years relating to Sleep in the Park events.

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

3 Donations and legacies – group and charity

	Year ended 31 May 2021 £	Year ended 31 May 2020 £
Sleep in the Park 2018	-	10,177
Break the Cycle	107,127	-
itison Christmas Campaign	642,083	678,655
Just Eat Christmas Campaign	420,930	-
Donations – general	2,114,835	2,855,314
Government grants	240,300	570,581
	3,525,275	4,114,727
Analysed by fund:		
Unrestricted fund	2,719,578	2,862,083
Restricted fund	805,697	1,252,644
	3,525,275	4,114,727

Further detail of the activities relating to this income is included within the Trustees' Report.

4 Income from charitable activities – group and charity

	Year ended 31 May 2021 £	Year ended 31 May 2020 £
Village occupancy income - unrestricted	229,311	264,479
	229,311	264,479

5 Income from trading activities – group only

	Year ended 31 May 2021 £	Year ended 31 May 2020 £
Shop and restaurant sales – unrestricted	1,319,268	2,287,284
	1,319,268	2,287,284

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

6 Other Income – charity only

	Year ended 31 May 2021 £	Year ended 31 May 2020 £
Other Income	2,502	-
	<u>2,502</u>	<u>-</u>

7 Expenditure

(i) Expenditure on activities in furtherance of charitable objectives

	Group		Charity	
	Year ended 31 May 2021 £	Year ended 31 May 2020 £	Year ended 31 May 2021 £	Year ended 31 May 2020 £
Campaigning	70,483	-	70,483	-
Donations to other charities working for the alleviation of poverty	27,827	587,293	27,827	587,293
Grants provided to organisations to support free food provision & accommodation	220,093	-	220,093	-
Housing First programme	343,785	150,000	343,785	150,000
Other charitable expenditure	116,337	63,558	116,337	63,558
Provision of free food, support and employment	1,105,856	1,321,324	1,105,856	1,321,324
Social Bite Village (includes depreciation)	414,318	421,805	414,318	421,805
Allocation of support costs – note 7(iii)	620,426	654,423	620,426	654,423
Allocation of governance costs – note 7(iii)	129,159	10,236	129,159	10,236
	<u>3,048,284</u>	<u>3,208,639</u>	<u>3,048,284</u>	<u>3,208,639</u>
Attributed to funds as follows:				
Unrestricted funds	2,024,227	2,363,771	2,024,227	2,363,771
Restricted funds	1,024,057	844,868	1,024,057	844,868
Total	<u>3,048,284</u>	<u>3,208,639</u>	<u>3,048,284</u>	<u>3,208,639</u>

Provision of free food, support and employment includes sums paid to wholly own subsidiaries to support this service. Further details can be found at note 19 – Related Party Transactions.

Further detail of the activities relating to this expenditure is included within the Trustees' Report.

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

7 Expenditure (continued)

(ii) Raising funds

	Group		Charity	
	Year ended 31 May 2021 £	Year ended 31 May 2020 £	Year ended 31 May 2021 £	Year ended 31 May 2020 £
Advertising & marketing costs	68,019	64,625	68,019	64,625
Donation processing fees	27,307	27,737	27,307	27,737
Event costs	95,016	38,644	95,016	38,644
Shop & restaurant operations	1,291,037	2,273,462	-	-
Allocation of support costs – note 7(iii)	224,973	169,040	224,973	169,040
Allocation of governance costs – note 7(iii)	8,178	-	8,178	-
	<u>1,714,530</u>	<u>2,573,508</u>	<u>423,493</u>	<u>300,046</u>

Event costs mainly relate to the attributable costs of running each event, with consideration to the purpose(s), whether this be campaigning, fundraising, or a mixture of both.

(iii) Allocation of support costs – group and charity

	Method	Raising funds £	Charitable activities £	Year ended 31 May 2021 £	Year ended 31 May 2020 £
Audit & Accountancy fees	% spend	2,637	31,845	34,482	15,894
Bank, professional & consultancy fees	% spend	2,556	30,872	33,428	22,796
Depreciation	% spend	964	11,639	12,603	9,567
General expenses	% spend	609	7,354	7,963	16,087
Insurance	% spend	530	6,402	6,932	5,230
Interest paid	% spend	251	3,036	3,287	37,151
IT Software & Consumables	% spend	1,401	16,920	18,321	11,677
Legal expenses	% spend	8,178	98,759	106,937	2,353
Office expenses	% spend	464	5,604	6,068	25,184
Rent & rates	% spend	1,166	14,087	15,253	26,626
Salaries	Direct	213,166	508,228	721,394	636,177
Training & development	% spend	1,046	12,626	13,672	17,002
Travel expenses	% spend	183	2,213	2,396	7,955
		<u>233,151</u>	<u>749,585</u>	<u>982,736</u>	<u>833,699</u>

Total governance costs comprise of legal expenses of £106,937 (2020: £2,236) plus auditor's remuneration in respect of the external audit of the charity and its group of £30,400 (2020: £8,000).

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

7 Expenditure (continued)

The legal expenses include £65,000 of pro-bono services provided – this is also reflected as an equal amount of income within Donations – General at note 3.

(iv) Auditor's remuneration

The analysis of external auditor's remuneration for the year is as follows:

	Group		Charity	
	Year ended 31 May 2021 £	Year ended 31 May 2020 £	Year ended 31 May 2021 £	Year ended 31 May 2020 £
Accountancy fees	4,079	2,300	720	-
Audit fees	30,400	8,000	30,400	8,000
Tax fees	11,927	3,600	4,380	-
	<u>46,406</u>	<u>13,900</u>	<u>35,500</u>	<u>8,000</u>

8 Employees

(i) Number of employees

The average monthly number of employees during the period was:

	Group		Charity	
	Year ended 31 May 2021	Year ended 31 May 2020	Year ended 31 May 2021	Year ended 31 May 2020
Management and administration	29	29	17	16
Shop and restaurant staff	65	69	-	-
	<u>94</u>	<u>98</u>	<u>17</u>	<u>16</u>

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

8 Employees (continued)

(ii) Employment costs

	Group		Charity	
	Year ended 31 May 2021 £	Year ended 31 May 2020 £	Year ended 31 May 2021 £	Year ended 31 May 2020 £
Wages and salaries	1,878,544	2,117,255	640,529	566,561
Social security	138,037	145,242	66,268	55,469
Pension contributions	36,659	41,269	14,597	14,147
	<u>2,053,240</u>	<u>2,303,766</u>	<u>721,394</u>	<u>636,177</u>

The number of employees whose annual remuneration (including termination payments but excluding employer pension contributions) were above £60,000 are set out below:

	2021	2020
Between £60,000 and £69,999	-	1
Between £70,000 and £79,999	1	2
Between £80,000 and £89,999	1	-

See also note 8(iii) below.

During the year, the trustees approved ex-gratia payments to 2 departing employees totalling £17,808 (2020: £nil). In each case, the trustees, after careful consideration, were of the view there was a moral obligation to make such payments.

None of the trustees (or any persons connected with them) received any remuneration from the charity in their role as trustees.

None of the trustees, with the exception of remunerated employees listed below, received any reimbursement of expenses during the year.

The following trustee received remuneration from their employment with the charity up until their resignation as a trustee on 22 December 2020 (their employment with the charity continued beyond this date):

	Year ended 31 May 2021 £	Year ended 31 May 2020 £
Josh Littlejohn - remuneration		
As CEO of The Social Bite Fund	50,341	74,010
Employer pension contributions	738	1,316
Total remuneration	<u>51,079</u>	<u>75,326</u>

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

9 Tangible fixed assets

Group	Land and buildings	Leasehold improvements	Plant and machinery etc	Total
	£	£	£	£
Cost or valuation				
At 1 June 2020	903,066	283,694	218,046	1,404,806
Additions	-	-	31,297	31,297
Disposals	-	-	(1,229)	(1,229)
At 31 May 2021	903,066	283,694	248,114	1,434,874
Depreciation				
At 1 June 2020	378,183	87,696	158,652	624,531
Charge for the year	110,537	37,040	22,354	169,931
Eliminated on disposal	-	-	(130)	(130)
At 31 May 2021	488,720	124,736	180,876	794,332
Net book value				
At 31 May 2021	414,346	158,958	67,238	640,542
At 31 May 2020	524,883	195,998	59,394	780,275
Charity				
	Land and buildings	Leasehold Improvements	Furniture & computer equipment etc	Total
	£	£	£	£
Cost or valuation				
At 1 June 2020	688,963	72,489	25,070	786,522
Additions	-	-	1,229	1,229
Disposals	-	-	(1,229)	(1,229)
At 31 May 2021	688,963	72,489	25,070	786,522
Depreciation				
At 1 June 2020	202,080	5,445	4,289	211,814
Charge for the year	100,260	7,260	5,470	112,990
Eliminated on disposal	-	-	(130)	(130)
At 31 May 2021	302,340	12,705	9,629	324,674
Net book value				
At 31 May 2021	386,623	59,784	15,441	461,848
At 31 May 2020	486,883	67,044	20,781	574,708

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

10 Investments – Charity

Shares in
group
undertakings
£

Cost - at 1 June 2020 and 31 May 2021

-

Net book value - at 31 May 2020 and 31 May 2021

-

Holdings of more than 20%

The charity holds more than 20% of the share capital of the following companies:

Company

Subsidiary undertakings	Registered office	Principal activity	Shares held	
			Class	%
Social Bite Limited	Scotland	Operation of sandwich shops	Ordinary	100
Social Bite Restaurants Limited	Scotland	Operation of Vesta restaurant	Ordinary	100

	Social Bite Limited £	Social Bite Restaurants Limited £	Social Bite Communities Limited	Year ended 31 May 2021 £	Year ended 31 May 2020 £
Income	1,401,510	122,596	-	1,524,106	2,530,430
Cost of sales	(1,486,576)	(167,947)	-	(1,654,523)	(2,417,638)
Administration expenses	(635,263)	(171,616)	-	(806,879)	(1,164,913)
Other operating income	735,719	215,279	-	950,998	1,085,491
Interest payable	(1,250)	(2,687)	-	(3,937)	(5,218)
Tax	-	-	-	-	(7,019)
Profit / (Loss) for period ended 31 May	14,140	(4,375)	-	9,765	21,133

Social Bite Communities Limited carried out no trading activity in the year and was dissolved on 25 May 2021.

The Trustees' Report and the financial review provide further detail on the purpose of the group as a whole and the charitable activities delivered within each subsidiary.

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

10 Investments – Company (continued)

The assets and liabilities of the subsidiaries:

	Social Bite Limited	Social Bite Restaurants Limited	Social Bite Communities Limited	31 May 2021	31 May 2020
	£	£	£	£	£
Tangible fixed assets	73,745	104,950	-	178,695	205,568
Current assets	185,055	43,249	-	228,304	280,567
Creditors: amounts falling due within one year	(332,800)	(335,999)	-	(668,799)	(772,954)
Creditors: amounts falling due after one year	(15,717)	(94,325)	-	(110,042)	(94,788)
Total net assets / (liabilities)	(89,717)	(282,125)	-	(371,842)	(381,607)

These results have been incorporated in the consolidated results of the group after elimination of intercompany transactions.

11 Stock

	Group		Charity	
	31 May 2021	31 May 2020	31 May 2021	31 May 2020
	£	£	£	£
Food, Drink & Other Consumables	21,116	25,821	-	-

12 Debtors

	Group		Charity	
	31 May 2021	31 May 2020	31 May 2021	31 May 2020
	£	£	£	£
Trade debtors	53,819	75,564	48	7,525
Amounts due from group undertakings	-	-	232,673	149,485
Other debtors	453,575	379,491	394,555	334,320
	507,394	455,055	627,276	491,330

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

13 Creditors

	Group		Charity	
	31 May 2021	31 May 2020	31 May 2021	31 May 2020
	£	£	£	£
Trade creditors	162,778	233,828	121,403	17,512
Taxation and other social security	74,960	157,249	37,504	46,146
Amounts due to group company	-	-	-	20,256
Loans	154,347	675,222	50,000	556,685
Other creditors	61,507	59,987	22,020	15,417
Accruals and deferred income	283,754	199,231	166,449	105,331
	737,346	1,325,517	397,376	761,347

14 Creditors: amounts falling due after more than one year

	Group		Charity	
	31 May 2021	31 May 2020	31 May 2021	31 May 2020
	£	£	£	£
Other creditors	61,421	39,143	-	-
	61,421	39,143	-	-

Analysis of loans included within other creditors:

Wholly repayable within five years	202,779	692,641	-	556,685
Included in current liabilities	(154,347)	(675,222)	-	(556,685)
	48,432	17,419	-	-

15 Restricted Funds – Group and Charity

(i) Movement in restricted funds – current period

	Balance at 1 June 2020	Income	Expenditure	Transfers	Balance at 31 May 2021
	£	£	£	£	£
Restricted funds					
Free Food Provision	308,949	494,697	(712,352)	-	91,294
Housing First	-	300,000	(300,000)	-	-
Location Specific	66,705	11,000	(11,705)	-	66,000
Total restricted funds	375,654	805,697	(1,024,057)	-	157,294

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

15 Restricted Funds – Group and Charity (continued)

(ii) Movement in restricted funds – prior period

	Balance at 1 June 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 May 2020 £
Restricted funds					
Employment	7,872	26,000	(33,872)	-	-
Free Food Provision	-	779,144	(470,195)	-	308,949
Housing First	-	400,000	(153,147)	(246,853)	-
Location Specific	85,000	47,500	(65,795)	-	66,705
Social Bite Village	121,859	-	(121,859)	-	-
Total restricted funds	214,731	1,252,644	(844,868)	(246,853)	375,654

Nature and purpose of restricted funds:

Employment

Funding provided to support employment opportunities for staff who have a background of homeless. This employment is predominantly provided within Social Bite Limited.

Free Food Provision

Donations received towards free food provision.

Housing First

Grant income we have received to be used towards our Housing First commitment. Income received in each of the current year and prior period was fully utilised in the relevant period.

The transfer of £246,853 out of Restricted Funds in the prior year is in respect of grant funding received by the charity that was to offset an advance grant payment made by the charity (from Unrestricted Funds) in the previous period to the Housing First project. The advance payment made was in accordance with our agreement with Housing First.

Location Specific

Donations received that have a location related restriction, such as a specific place or area.

Social Bite Village

Donations provided that were specifically to support the construction and opening of the Village, together with associated running costs. Expenditure in the prior year includes the costs to the charity (including the depreciation cost), net of any occupancy income received

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

16 Unrestricted Funds

(i) Movement in funds - group

Current year	Balance at 1 June 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 May 2021 £
Unrestricted Funds	<u>1,983,505</u>	<u>4,268,374</u>	<u>(3,738,757)</u>	<u>-</u>	<u>2,513,122</u>

Prior period	Balance at 1 June 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 May 2020 £
Unrestricted Funds	<u>1,257,665</u>	<u>5,416,266</u>	<u>(4,937,279)</u>	<u>246,853</u>	<u>1,983,505</u>

(ii) Movement in funds - charity

Current year	Balance at 1 June 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 May 2021 £
Unrestricted Funds	<u>2,270,421</u>	<u>2,951,608</u>	<u>(2,447,720)</u>	<u>-</u>	<u>2,774,309</u>

Prior period	Balance at 1 June 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 May 2020 £
Unrestricted Funds	<u>1,558,403</u>	<u>3,128,982</u>	<u>(2,663,817)</u>	<u>246,853</u>	<u>2,270,421</u>

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

17 Analysis of net assets between funds

(i) Group

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 May 2021 are represented by:			
Tangible assets	640,542	-	640,542
Current assets	2,671,347	157,294	2,828,641
Current liabilities	(737,346)	-	(737,346)
Creditors: amounts falling due after more than one year	(61,421)	-	(61,421)
	<u>2,513,122</u>	<u>157,294</u>	<u>2,670,416</u>

Fund balances at 31 May 2020 are represented by:

Tangible assets	780,275	-	780,275
Current assets	2,567,890	375,654	2,943,544
Current liabilities	(1,325,517)	-	(1,325,517)
Creditors: amounts falling due after more than one year	(39,143)	-	(39,143)
	<u>1,983,505</u>	<u>375,654</u>	<u>2,359,159</u>

(ii) Charity

	Unrestricted Funds £	Restricted Funds £	Total £
Fund balances at 31 May 2021 are represented by:			
Tangible assets	461,848	-	461,848
Current assets	2,709,837	157,294	2,867,131
Current liabilities	(397,376)	-	(397,376)
	<u>2,774,309</u>	<u>157,294</u>	<u>2,931,603</u>

Fund balances at 30 May 2020 are represented by:

Tangible assets	574,708	-	574,708
Current assets	2,457,060	375,654	2,832,714
Current liabilities	(761,347)	-	(761,347)
	<u>2,270,421</u>	<u>375,654</u>	<u>2,646,075</u>

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

18 Financial commitments

At 31 May 2021, the Group was committed to making the following total future minimum lease payments under non-cancellable operating leases as follows:

	Group		Charity	
	31 May 2021	31 May 2020	31 May 2021	31 May 2020
	£	£	£	£
Operating leases which expire:				
In one year	146,606	198,032	81,388	87,000
Between two and five years	262,383	465,272	45,833	123,554
In over five years	91,667	213,333	-	-
	<u>500,656</u>	<u>876,637</u>	<u>127,221</u>	<u>210,554</u>

As part of the charity's financial contribution to the Housing First programme, a sum of £142,347 remained committed at the year-end towards future project management fees and independent evaluation work and reporting (£74,000 of this will be payable within one year and £68,347 between two and five years). The charity will meet this obligation from a grant already awarded prior to the year-end and a further grant that was awarded post year-end.

19 Related party transactions

The charity provided grants of £1,086,892 (2020: £1,223,394) to Social Bite Limited, a wholly owned subsidiary. This grant funding was used to cover the costs related to:

- providing a daily food service from their shops in Edinburgh, Glasgow and Aberdeen.
- producing and distributing food packs and other non-essential items to other charitable organisations in Scotland that directly supported our COVID-19 response and our winter food distribution.
- supporting employment opportunities for those with a background of homelessness and other supported needs.
- being a shop front for the charity and providing service, support and information to the general public.

Further detail on these activities can be found in the Trustees' Report.

In addition, £57,516 was paid during the year to reimburse Social Bite Limited for the employment cost of the Social Bite Social Impact Team (2020: £39,806). This team's employment was transferred to the charity prior to the year-end given the direct charitable work they carry out.

At the year end, a balance was due from Social Bite Limited to the charity of £143,224 (2020: (£4,827)).

The charity provided grants of £18,964 (2020: £96,437) to Social Bite Restaurants Limited, a wholly owned subsidiary. These grants were approved to utilise pre-existing restricted funding, to secure future donations and protect the weekly homeless lunch service. At the year end, a balance was due from Social Bite Restaurants Limited to the charity of £89,449 (2020: £134,056).

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

19 Related party transactions (continued)

Josh Littlejohn was a Trustee of The World's Big Sleep Out Trust ("WBSOT"). In accordance with a funding agreement between Social Bite and WBSOT, Social Bite provided total cash funding of £nil (2020: £563,768) to WBSOT and received £17,714 (2020: £340,873) in donations directly from the event ran by WBSOT in December 2019. Subsequent to the event, a further £644,604 has been raised directly by Social Bite throughout the course of calendar year 2020 as a result of The World's Big Sleep Out Trust's supporters and network. £562,000 of this was received by SBF during the current financial year (2020: £82,604). Where there were or are any decisions to be made by the Board in relation to WBSOT, Josh Littlejohn's conflict was noted and he abstained from any discussion or decision making.

Morag McNeill was a Trustee and Vice-Chair of Social Investment Scotland ("SIS"). At the period end, there were group loans outstanding to SIS totalling £nil (2020: £534,566). Morag McNeill was also a Trustee and Deputy Chair of Court at Heriot-Watt University which is engaged in research in relation to the Housing First programme. Where there were any Board discussions relating to SIS or Heriot-Watt University, this conflict was noted, and Morag McNeill abstained from any discussion or decision making.

Kent Mackenzie was a Partner at Deloitte LLP. During the year, the charity received a grant and donations from Deloitte LLP totalling £nil (2020: £46,000).

Remuneration of key management personnel

The key management personnel of the group companies comprise the Group Chief Executive, Chief Executive Scotland and Group Finance Director. The total remuneration cost of employment over the financial year was £221,599 (2020 - £206,408).

20 Reconciliation of group net income to group net cash flow from operating activities

	Year ended 31 May 2021 £	Year ending 31 May 2020 £
Net (expenditure) / income for the reporting period (as per the statement of financial activities)	311,257	886,763
Adjustment for:		
Interest received	(217)	(2,420)
Depreciation and impairment of tangible fixed assets	169,931	218,416
(Gain)/loss on disposal of fixed assets	1,099	6,544
Movement in working capital:		
(Increase) / Decrease in stock	4,705	(78)
Decrease / (Increase) in debtors	(52,339)	98,376
(Decrease)/Increase in creditors	(76,030)	(18,010)
Cash provided by operations	<u>358,406</u>	<u>1,189,591</u>

THE SOCIAL BITE FUND

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2021 (continued)

21 Reconciliation of net debt

	At 1 June 2020 £	Cash flows £	At 31 May 2021 £
Cash	2,462,668	(162,537)	2,300,131
Loans falling due within 1 year	(675,222)	520,875	(154,347)
Loans falling due after more than 1 year	(17,419)	(31,013)	(48,432)
Total	<u>1,770,027</u>	<u>327,325</u>	<u>2,097,352</u>

22 Funds received by the charity acting as an agent on behalf of others

	Year ended 31 May 2021 £	Year ending 31 May 2020 £
Received on behalf of the Covid Community Campaign	386,975	-
Grants awarded to charitable beneficiaries	(205,830)	-
Retained by Social Bite Fund	(77,395)	-
Balance remaining at year end	<u>103,750</u>	<u>-</u>

Further detail on the Covid Community Campaign can be found in the Trustees' Report (section 3D). The balance remaining at the year-end was distributed to nominated beneficiaries post year-end.